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Message Text

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PAGE 01 NEW DE 04952 071218Z
ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 H-02 AID-05 IGA-02 PA-02
PRS-01 OMB-01 /032 W
----------072050Z 100340 /44
R 070627Z PR 77
FM AMEMBASSY NEW DELHI
TO US TREASURY WASHDC
INFO SECSTATE WASHDC 2492
USIA WASHDC

UNCLAS NEW DELHI 4952

TREASURY FOR ASSISTANT SECRETARY BERGSTEN

E.O. 1165C N/A
TAGS: EAID EFIN IN
SUBJECT: RESPONSE TO TREASURYREQUEST FOR INFORMATION

REF: STATE 073026

1. FINATT, WITH THE HELP OF USIS, PRESS ATTACHE AND
AID OFFICE, HAS BEEN ABLE TO FIND SEVERAL
ARTICLES IN THE INDIAN PRESS WHIH MENTION THE IMPORTANCE OF THE
U.S. ROLE IN FUNDING IFI'S SUCH AS IDA. HOWEVER, MENTION IS
USUALLY MADE IN THE CONTEXT THAT THE US HAS BEEN
DELINQUENT IN MAKING ITS CONTRIBUTION TO IDA OR THAT THERE HAVE
BEEN OBJOIPS IN THE US CONGRESS TO THE LEVEL OF FUNDING
THE ADMINISTRATION HAS REQUESTED.

2. THE FOLLOWING ARE SEVERAL QUOTES WHICH MAY BE
OF SOME HELP AND INDICATE THAT
THE US GOLE IN IDA IS MUCH PUBLICIZED:

"...THE BULK OF US AID TO DEVETOPING COUNTRIES
LIKE INDIA COMES THROUGH THE IDA, NOT IN THE
FORM OF BILATERAL AID AGREEMENTS." (THE HINDU,2/25/76)
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"...A CUT IN THE OFFICIAL US CONTRIBUTION TO THE
WORLD BANK IMPINGES DIRECTLY
ON AID FLOWS TO THE DEVELOPIG COUNTRIES....THE MOVE OF THE US
HOUSE SUB-COMMITTEE ON FOREIGN AID TO EDUCE THE US CONTRIBUTION
FROM DOLS 375 MILLION TO DOLS 320 MILLION IS OMINOUS... INDIA HAS

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A DIRECT INTEREST IN IDA LOANS AND HAS BENEFITTED FROM THEM,
THE CUT BY THE US HOUSE SUB-COMMITTEE IN AID FUNDS WOULD APPEAR
TO BE DIRECTED AGAINST INDIA IN PARTICULAR." (INDIAN EXPRESS,
2/25/76)

"...THEN THERE IS THE USA, WHICH FORMERLY USED TO
CONTRIBUTE A WHOPPING 40 PERCENT TO THE IDA SOFT-1 LOAN CONCEPT
IT ORIGINALLY SPONSORED. TWO YEARS AGO THE
USA REDUCED ITS PLEDGE TO 33 1/3 PERCENT --- OR DOLS 1.5
BILLION - THE CURRENT DOLS 4.5 BILLION
REPLENISHMENT.." (THE STATESMAN, 6/25/76)

"...AS FOR THE REPLENISHMENT OF IDA, MR. SIMON SAID
HE WAS "FULLY CONFIDENT" THAT THE
US WOULD BE "A GENEROUS PARTICIPANT IN ANY ARRANGEMENT AGREED
UPON". THIS WAS IN CONTEXT OF STATEMENT MADE AT IMF/IBRD MEETING
AT MANILA.." (TIMES OF INDIA, 10/6/76)

"...THE US SHARE OF IDA FUNDS HAS BEEN DECLINING
STEADILY FROM AROUND 40 PERCENT IN THE FIRST
CONTRIBUTION IN THE SIXTIES TO 31.5 PERCENT IN THE FIFTH
REPLENISHMENT." (STATESMAN, 3/21/77)

3. IN ADDITION TO NUMEROUS NEWSPAPER ARTICLES
CONCERNING IDA AND THE US ROLE IN ITS FUNDING, USIS
DISSEMINATES INFORMATION
ON IDA AND US ADMINISTRATION REQUESTS FOR THE IFI'S. RECENT PRESS
RELEASES INCLUDE: CARTER OUTLINES US FOREIGN AID POLICY;
VANCE PRESENTS FOREIGN AID REQUEST TO US CONGRESS; TREASURY
DEPARTMENT STATEMENT ON IDA REPLENISHMENT;
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US CALLSIDA CENTERPIECE OF NORTH-SOUTH DIALOGUE; AND
BLUMENTHAL TESTIMONY ON INTRNATIONAL
DEVELOPMENT BANK FUNES. ABOUT 600 COPIES OF THESE PRESS
R EASES WERE PRINTED AND DISTRIBUTED TO LEADING EDITORS,
WRITERS AND COMMENTATORS IN THE MEDIA AND TO SENIOR INDIAN
GOVERNMENT OFFICIALS IN NEW DELHI. THEY WERE ALSO DISTRIBUTEL
TO A SIMILAR AUDIENCE BY USIS BRANCH POSTS IN BOMBAY, CALCUTTA
AND MADRAS.

4. IN SPECIFICALLY ANSWERING CONGRESSMAN LONG'S
QUESTION "HOW DOES THE AVERAGE INDIAN KNOW THE US IS AIDING INDIA
WHEN IT RECEIVES IFI LOANS?"
THE REAL PROBLEM IS THAT THERE IS NO "AVERAGE INDIAN". HOWEVER,
MOST RECIPEINTS OF IDA MONEY-- WHO ARE OFTEN AT THE GRASS ROOTS
LEVEL--ARE AWARE OF THE ROLE THE US PLAYS.
THE FINATT HAS VISITED A NUMBER OF IDA PROJECTS AND
HAS FOUND THAT THE FARMERS WITH WHOM SHE SPOKE WERE QUITE
AWARE THAT THE US HAD MADE A LARGE

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CONTRIBUTION TO THE FUNDS THEY WERE RECEIVING. ON
ONE OCCASION THE FINATT MET WITH MEMBERS OF 4 LOCAL MARKET
COMMUNITIES IN 4 DIFFERENT TOWNS WHO IN FACT THANKED HER FOR THE
ROLE THE US WAS PLAYING IN FUNDING IDA.

5. ANOTHER GROUP OF INDIANS WHO ARE WELL AWARE OF
THE US CONTRIBUTION TO IDA AND THE WORLD BANK
ARE THOSE INVOLVED WITH THE FORMULATION OF POLICY AND PROJECTS.
THIS GROUP OF INDIVIDUALS STARTS WITH VARIOUS
MINISTRIES OF THE CENTRAL GOVERNMENT, WORKS ITS WAY DOWN TO THE
STATE LEVEL AND EVENTUALLY TO THE VILLAGE LEVEL.
THEREFORE, ONE COULD ASSUME THAT THE ELITES IN INDIA
AT ALL LEVELS OF SOCIETY ARE AWARE TO SOME EXTENT OF
WHAT THE US IS DOING,
ALTHOUGH IDA IS HARDLY A HOUSEHOLD WORD.

6. COPIES OF FULL TEXTS OF ARTICLES CITED
ABOVE AND USIS PRESS RELEASES BEING POUCHED TO JERRY
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NEWMAN, TREASURY.SCHNEIDER

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NNN

*** Current Handling Restrictions *** n/a
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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From: NEW DELHI
Handling Restrictions: n/a
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Subject: RESPONSE TO TREASURYREQUEST FOR INFORMATION
TAGS: EAID, EFIN, IN, US, IBRD
To: TRSY
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vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/4af2b39b-c288-dd11-92da-001cc4696bcc
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